

EXPORT-IMPORT BANK OF THE UNITED STATES

SHORT TERM COMPREHENSIVE MULTI-BUYER EXPORT CREDIT INSURANCE POLICY

In consideration of the payment of premiums and in reliance upon the representations in the application, Export-Import Bank of the United States, an agency of the United States Government, herein called "Eximbank", agrees as follows with the insured named in the declarations:

ARTICLE 1. POLICY CONTENTS

This policy consists of the following documents:

- Articles 1 through 11 of this document
- Application
- Declarations
- Endorsements
- Country Limitations Schedule
- Credit Limits

The date of shipment shall determine which endorsements, country limitation schedule or credit limits are a part of this policy with respect to each insured transaction.

The following reporting forms are also part of this policy:

- Report of Premiums Payable for Exporters Only
- Report of Overdue Accounts Under Short-Term Policies
- Notice of Claim and Proof of Loss Multi-Buyer Policy
- Notification by Insured of Amounts Payable Under Multi-Buyer Export Credit Insurance Policy, or
Small Business Multi-buyer Export Credit Insurance Policy (ENB/ENV) Enhanced
Assignment of Policy Proceeds

The country limitation schedule and each of the reporting forms are all available at Eximbank's website at www.exim.gov.

ARTICLE 2. INSURING AGREEMENTS

A. Default on an Insured Transaction

Eximbank will indemnify the insured for the insured percentage of the amount of the insured's loss which is in excess of any applicable deductible arising out of a default with respect to the contract price of an insured transaction, which default remains unpaid for a period of 90 days after the due date and arose from one of the following risks.

Risk 1. Inability of the buyer or issuing bank to obtain the approved currency in a lawful market of the buyer's or issuing bank's country and to effect the transfer thereof to the insured in the payment country, provided that:

- (a) (1) for letter of credit terms - the issuing bank has applied for exchange in compliance with all applicable rules and regulations of the country in which the issuing bank is located; or
- (2) for all other terms - the buyer has made a deposit of the currency of the buyer's country in a designated depository not later than 90 days after the due date; and

- (b) at the time the deposit by the buyer or application for exchange by the issuing bank was made, no other lawful public or private market (regardless of size) for obtaining the approved currency at any rate of exchange existed in the buyer's or issuing bank's country; and
- (c) the failure of the appropriate exchange authority to convert the currency of the buyer's or issuing bank's country into the approved currency and to transfer the approved currency to the payment country is not due to the fault of the buyer, issuing bank or the insured or any of their agents, such faults including but not limited to:
 - (1) failure to comply with the applicable laws and regulations for the acquisition and transfer of the approved currency, including submission of necessary documentation to the appropriate exchange authority; and
 - (2) application for the approved currency at a rate of exchange which is not applicable to the insured transaction.

Risk 2. The occurrence after shipment, under circumstances not due to the fault of the buyer, issuing bank or the insured or any of their agents, of any of the following events:

- (a) the cancellation or non-renewal of an export license or the imposition of restrictions on the export of the products which were not subject to license or restriction prior to shipment; or
- (b) the cancellation of previously issued and valid authority to import the products into the buyer's country; or
- (c) the promulgation or imposition of any law, order, decree or regulation having the force of law which:
 - (1) prevents the import of the products into the buyer's country; or
 - (2) prevents the deposit or application described in risk 1 from being made; or
- (d) the promulgation or imposition of any law, order, decree or regulation having the force of law which is in effect on the due date and prohibits payment in any manner of the approved currency in the payment country.

Risk 3. The occurrence after shipment but on or before the date of default of any of the following events:

- (a) war, hostilities, civil war, rebellion, revolution, insurrection, guerrilla activity, civil commotion or other like disturbance; or
- (b) requisition, expropriation, or confiscation of, or arbitrary and discriminatory action taken with respect to, the specific business of the buyer or issuing bank and each guarantor by a governmental authority.

Risk 4. Default with respect to an insured transaction for reasons other than those enumerated above as risks 1 through 3.

B. Diversion of Voyage

Risk 5. For terms other than letter of credit, Eximbank will indemnify the insured for the insured percentage of the amount of the insured's loss which is in excess of any applicable deductible, provided:

- (a) the loss consists of transport or insurance charges incurred after shipment under an insured transaction; and
- (b) the loss is the result of an interruption or diversion of voyage outside the United States which was caused by one of the events specified in risks 2 or 3; and
- (c) these charges are impracticable to recover from the buyer.

There shall be no coverage for any loss which is insurable under the American Institute of Marine Underwriters' War Risk and Strikes, Riots and Civil Commotion Clause current on the date of shipment.

ARTICLE 3. REQUIREMENTS OF AN INSURED TRANSACTION

Coverage shall not apply to any shipment unless all of the following conditions are fulfilled:

A. Each of the products must be:

- (1) shipped from the United States to a buyer (such shipment to begin when the products are placed en route to the buyer on the order of the insured or any of its agents) during the policy period specified in the declarations and in conformity with the laws and regulations of the United States and the import laws and regulations of the buyer's or issuing bank's country; and
- (2) produced or manufactured in the United States. No more than 49% of its value, exclusive of price markup, may consist of labor, raw materials, component parts or any combination thereof originating or manufactured outside the United States. No value may be added to the products by the insured after export from the United States.

B. Each shipment and sale of products must be:

- (1) for an approved currency; and
- (2) payable in a payment country; and
- (3) in accordance with the terms and conditions set forth for the buyer's or issuing bank's country in the applicable country limitation schedule; and
- (4) within the maximum payment terms for a short term sale.

C. The sale of the products must be:

- (1) evidenced by a buyer obligation payable to the insured or letter of credit naming the insured as beneficiary; and
- (2) evidenced by invoice(s) and shipping documents indicating the name of the insured; and
- (3) in the event that payment terms are open account, evidenced by a written purchase order or written contract of sale indicating the name of the insured; and
- (4) in accordance with the terms of the credit limit.

D. In the event letter of credit terms are used, documents required by the terms of the letter of credit must have been presented to the issuing bank.

ARTICLE 4. LIMITATIONS OF LIABILITY

A. The total liability of Eximbank under this policy for insured transactions during a policy period shall not exceed the aggregate limit authorized in the declarations for that policy period, regardless of: (1) the number or amount of any or all credit limits, or (2) the amount of premiums paid or payable.

B. The total liability of Eximbank under this policy for each buyer or issuing bank shall not exceed the amount equal to the insured percentage of the amount of the credit limit and shall not be cumulative regardless of:

- (1) the number of years this policy or any replacement policy is in force; or
- (2) the number of changes in the type or the amount of the credit limit authorized by Eximbank; or

(3) the amount of premiums paid or payable.

- C. A special buyer credit limit or issuing bank credit limit shall, as of its effective date, replace the discretionary credit limit for shipments subsequent to such effective date. Upon expiration or withdrawal of a special buyer credit limit or issuing bank credit limit, the discretionary credit limit shall be reinstated for the respective buyer or issuing bank, unless withdrawn by Eximbank. There shall be one credit limit in effect for a buyer or issuing bank on the date of shipment. The credit limit in effect on the date of shipment shall be reduced by amounts owing from the buyer or issuing bank on that date.
- D. Each payment by Eximbank in discharge of its obligation under this policy shall reduce by the amount of the payment each applicable limit of liability under this policy.

ARTICLE 5. EXCLUSIONS

Eximbank shall not be liable for any loss:

- A. with respect to any transaction which does not meet each and every requirement of an insured transaction; or
- B. for risks 1, 2, 3 and 5, arising out of the exchange fluctuation or devaluation of the currency of the buyer's or issuing bank's country occurring on or before the due date or the date of deposit, whichever is later; or
- C. for risk 1 with respect to all terms other than letter of credit terms, in the event there is no designated depository; or
- D. caused by the insured or any of its agents; or
- E. to the extent that the buyer's or issuing bank's obligation to pay has been relieved by payment or by an express or implied agreement of the insured or its agents; or
- F. where terms other than letter of credit are used and a dispute exists between the insured and the buyer, until the indebtedness shall have been finally determined by the courts of the buyer's country or other forum acceptable to Eximbank to be a valid and legally enforceable indebtedness of the buyer, its legal representatives or successors in interest, or unless such dispute with respect to such indebtedness is otherwise settled to the satisfaction of Eximbank; or
- G. where terms other than letter of credit are used, arising from the failure of the buyer to accept the products; or
- H. where letter of credit terms are used, with respect to any insured transaction for which there is an unresolved documentary dispute between the insured and the issuing bank; or
- I. with respect to any transaction for which the insured has failed to submit a completed Notice of Claim and Proof of Loss Multi-Buyer Policy, within the time periods set forth in this policy; or
- J. with respect to any transaction where the insured has knowledge or reason to believe that the products are principally for use by or in a country which is not listed as eligible for insurance in the applicable country limitation schedule; or
- K. with respect to any transaction where the products constitute defense articles and prior to the date of shipment the insured has not obtained the written approval of Eximbank for such products; or
- L. with respect to any reportable transaction which the insured has failed to declare on the Report of Premiums Payable for Exporters Only, or to accompany the report form with premium payments as required by this policy.

ARTICLE 6. AGREEMENTS OF THE INSURED

The insured agrees:

- A. to report and pay premium on all reportable transactions as required by this policy; and
- B. not to enter into an insured transaction with a buyer or issuing bank in the event that any amount owing from the buyer or issuing bank to the insured on any transaction is overdue more than 90 days or if the insured has knowledge of the buyer's or issuing bank's insolvency; and
- C. to submit within 30 days after the end of each calendar month, a Report of Overdue Accounts under Short-Term Policies showing the principal amount on insured transactions and on uninsured debt overdue from each buyer for more than 90 days, provided the overdue amount exceeds \$100,000; and
- D. to take all reasonable and customary measures to prevent or minimize loss, including any measures which may be required by Eximbank, and to cooperate with Eximbank to effect recoveries; and
- E. to remain at risk, for its own account and uninsured, for the deductible, if any, the retention and any amount owing from the buyer or issuing bank to the insured exceeding the amount of the credit limit.

ARTICLE 7. ACCELERATION AND RESCHEDULING

The insured agrees:

- A. not to accelerate a buyer obligation unless the acceleration is approved by Eximbank in writing; and
- B. not to reschedule or otherwise extend the due date of a buyer obligation or a letter of credit or draft drawn thereunder unless approved by Eximbank in writing.

ARTICLE 8. PROOF AND PAYMENT OF CLAIMS

- A. Eximbank will make payment for the insured percentage of the loss in accordance with the insuring agreements, provided that:
 - (1) the insured has made written demand for payment from the buyer or issuing bank and each guarantor no later than 30 days prior to submission of claim; and
 - (2) the insured has submitted a complete, accurate and satisfactory Notice of Claim and Proof of Loss Multi-Buyer Policy, whether or not the loss is subject to a deductible:
 - (a) no earlier than 90 days after default, but not later than 240 days after default; or
 - (b) within 30 days from the date of a request by Eximbank for its submission; and
 - (3) the insured has included in the Notice of Claim and Proof of Loss Multi-Buyer Policy all amounts outstanding under insured transactions and uninsured debt with the buyer or issuing bank on the date of the Notice of Claim and Proof of Loss Multi-Buyer Policy, whether or not those outstanding amounts were in default; and
 - (4) Eximbank shall have applied the insured percentage of any loss to the deductible on the date the loss would otherwise have been eligible for claim payment, until the insured has incurred loss for its own account in the amount of the deductible; and
 - (5) the insured has executed the release and assignment incorporated in the Notice of Claim and Proof of Loss Multi-Buyer Policy; transferred to Eximbank any buyer obligation or letter of credit or draft thereunder, any contract of sale, any security or the deposit described in risk 1; in the case of drafts, promissory notes and bills of exchange, has endorsed such instruments to the order of

Eximbank without recourse; and has executed a letter of notification addressed to the buyer or issuing bank and each guarantor; and

Subject to compliance with the above, payment will be made within 60 days of the receipt of the Notice of Claim and Proof of Loss Multi-Buyer Policy.

- B. In the event the insured has failed to remain at risk, for its own account and uninsured, for any portion of the retention on any insured transaction, Eximbank shall reduce the amount of any claim payment on the insured transaction by the amount of the retention applicable to the loss for which the insured has failed to remain at risk.
- C.
 - (1) In the event the insured transaction is payable in United States Dollars, Eximbank shall make claim payment in United States Dollars.
 - (2) In the event the insured transaction is payable in an approved currency other than United States Dollars, Eximbank may make claim payment in United States Dollars or, at its sole option, in the approved currency. In the event claim payment is made in United States Dollars, the amount payable shall be computed at the rate of exchange for the approved currency as certified by the Federal Reserve Bank of New York for cable transfers as of 12 o'clock noon on the date of shipment(s) for which the claim is paid or at such other rate of exchange as may be specified by Eximbank by endorsement.
- D. In the event of a claim for loss, Eximbank shall have the option of paying the insured percentage of the amount of the loss or the insured percentage of the entire outstanding principal balance of any buyer obligation, plus interest, if any, as specified in the interest coverage endorsement.

ARTICLE 9. RECOVERIES

After payment of any claim by Eximbank, any recovery shall be applied first to reimbursable recovery expenses and then shall be shared by the insured and Eximbank as follows:

- A. with respect to a recovery-security realization or intergovernmental type, in the proportion that they shared the loss on which the recovery was received; and
- B. with respect to a recovery-collection type, in the proportion that the principal amount(s) of any claim payment(s) by Eximbank bears to the total principal liability.

These proportions apply to recoveries without limitation, without regard to whether such application results in Eximbank receiving an amount which is in excess of its claim payment(s).

ARTICLE 10. GENERAL CONDITIONS

A. Insured's Records

Eximbank may at any time audit and take copies of any records in the control of the insured connected with this insurance, any shipment, any buyer or any issuing bank. The insured shall, at the request of Eximbank, promptly supply Eximbank with any information in the control of the insured, or take reasonable steps to obtain any information or records in the control of any third party.

B. Changes

- (1) Eximbank, at any time prior to shipment, shall have the right to add to, delete or amend any country limitation schedule, endorsement, policy condition or credit limit including the right to withdraw coverage with respect to any country, buyer or issuing bank; and
- (2) any change shall be effective on the effective date stated in the notification of the change and shall only apply to shipments which occur on or after the effective date of the change.

C. Notices and Communications

- (1) Every communication concerning this policy shall be given to Eximbank.
- (2) All communications to Eximbank shall be given to Eximbank at its office at 811 Vermont Avenue, N.W., 11th floor, Washington, D.C. 20571 or delivered electronically via its website at www.exim.gov and all communications to the insured shall be given to the insured at the street address or electronic mail address on file with Eximbank or to an insurance broker designated by the insured.
- (3) All communications shall be written and in the English language. All communications to the insured shall, when mailed or transmitted, be effective as of the date specified in such communication. All communication to Eximbank shall be effective only when received by Eximbank. All communications transmitted via electronic mail shall constitute "written notifications" as may be required under this policy.

D. Action Against Eximbank

- (1) No action may be brought against Eximbank prior to 60 days after submission of a complete, accurate and satisfactory Notice of Claim and Proof of Loss Multi-Buyer Policy and unless a written demand is made on Eximbank 30 days prior to bringing such action.
- (2) No action of any kind may be brought against Eximbank more than 18 months after the date of default.
- (3) Any action or proceeding against Eximbank arising out of or relating to this policy shall be instituted only in a Federal court sitting in the District of Columbia, or the state in which the principal business of the insured is located.
- (4) In any action or proceeding against Eximbank, service of process shall be made upon Eximbank in accordance with Rule 4(d) (3)-(5) of the Federal Rules of Civil Procedure. Service upon Eximbank shall be given to Eximbank at its Office of General Counsel at 811 Vermont Avenue, N.W., Washington, DC 20571.
- (5) The construction, validity and performance of this policy shall be governed by and construed in accordance with uniform Federal law.

E. Premiums and Reporting

- (1) The insured shall report the amount of all reportable transactions on the Report of Premiums Payable for Exporters Only. The Report of Premiums Payable for Exporters Only and premiums shall be submitted at the time specified in the declarations.
- (2) The premium rates may be changed by Eximbank effective upon 30 days prior written notice to the insured. The amended rates will apply to all reportable transactions made after the effective date of the change, unless prior to the effective date, the insured gives notice of termination in accordance with this policy.
- (3) In the event the insured fails to file any report or to pay premium when due, Eximbank may reject or accept at its sole discretion any such report or premium when tendered.

F. Allocation of Monies Prior to Claim Payment

For purposes of calculating a loss, all monies received after the date of default on an insured transaction or the date when payment was due and unpaid on any uninsured debt, whichever is earlier, to the date of claim payment shall be applied in chronological order of due dates, regardless of any designation as to application by the buyer, issuing bank or other entity from whom such monies are received.

G. Other Insurance

In the event the insured has any other valid and collectible insurance applicable to a loss covered by this policy the insurance afforded by this policy shall be excess insurance over the applicable limit of liability of the other insurance.

H. False or Fraudulent Statements, Reports or Claims or Concealment

In the event the insured knowingly makes any statement, report or claim which is false or fraudulent, or in the event the insured knowingly conceals any material fact:

- (1) this policy shall become void and all claims hereunder shall be forfeited; and
- (2) in the event Eximbank has paid any claims relating to the insured's actions, the insured shall promptly return all claim payments with interest from the date of payment at the rates specified in the interest coverage endorsement.

I. Failure to Fulfill Contractual Duties to Buyer or Issuing Bank

The insured will hold Eximbank harmless from any loss resulting from the failure of the insured or any of its agents to fulfill its or their contractual or legal obligations to any buyer or issuing bank under an insured transaction if such failure of performance shall have provided a defense to payment by the buyer or issuing bank or shall have relieved the buyer or issuing bank of its duty, in whole or in part, to pay the indebtedness when due.

J. Assignment

This policy may not be assigned or transferred without the prior written consent of Eximbank.

Assignment of any amount payable under this policy shall bind Eximbank only in the event that Eximbank has executed either a Notification of Amounts Payable or a Small Business Multi-Buyer Export Credit Insurance Policy (ENB/ENV) Enhanced Assignment of Policy Proceeds.

K. Compliance by Insured

Failure by the insured to comply with any term or condition of this policy shall not be deemed to have been excused or accepted by Eximbank unless the same is specifically so excused or accepted by an officer of Eximbank in writing or in a policy endorsement.

L. Termination

- (1) This policy will automatically expire at the end of the policy period set forth in the declarations in the event this policy is not renewed or extended in writing by Eximbank prior to that time.
- (2) This policy will automatically terminate when the insured becomes insolvent, or is the subject of proceedings under any law relating to bankruptcy or relief of debtors.
- (3) In the event the insured fails to file any report or to pay any premium in accordance with the terms of this policy, Eximbank may at its sole discretion terminate this policy as provided below or continue this policy in force for the remainder of the policy period, or any part thereof, and hold the insured liable for the payment of premium to the end of the policy period or any earlier date elected by Eximbank.
- (4) This policy may be terminated by Eximbank or the insured upon 30 days prior written notice by either to the other. In the event of termination, the insured shall not be liable for payment of premium for any shipment made after the effective date of termination, and Eximbank shall not be liable for any loss arising from any shipment made subsequent to the effective date of termination.

ARTICLE 11. DEFINITIONS

- A. "approved currency" means the currency in which the buyer or issuing bank is to make payment of the buyer obligation or letter of credit and which currency is either United States Dollars, Canadian Dollars, Japanese Yen, German Deutsche Marks, Swiss Francs, French Francs, United Kingdom Pounds Sterling or a currency approved by Eximbank in a credit limit or endorsement.
- B. "buyer" means a person or entity approved by Eximbank in a special buyer credit limit or approved by the insured in accordance with the terms and conditions of the discretionary credit limit and with whom the insured has contracted for the sale of products. The purchase order(s) or contract(s) of sale, invoice(s), shipping documents and buyer obligation(s) shall be in the name of the buyer.
- C. "buyer obligation" means the agreement of the buyer to pay in approved currency in a payment country the contract price together with interest, if any, thereon. The agreement shall be valid and enforceable, when obtained, under the laws and regulations of the buyer's country and under the laws of a state, territory or possession of the United States or the District of Columbia. Unless otherwise provided in a special buyer credit limit, for short terms sales the agreement shall be set forth in a negotiable instrument (such as a promissory note, draft or bill of exchange) or open account documents (written purchase order, invoice and shipping documents).
- D. "contract price" means the amount in approved currency set forth in the contract of sale or invoice or letter of credit, which the buyer or issuing bank is obligated to pay the insured for the products. This amount may include insurance, freight or other charges which are incurred by the insured on the buyer's behalf and which are in support of or in connection with the sale of the products.
- E. "credit limit" means either the credit limit for insured transactions with a buyer or issuing bank specified in a discretionary credit limit or the credit limit for a named buyer or issuing bank specified in a special buyer credit limit or an issuing bank credit limit.
- F. "deductible" means the amount equal to the insured percentage of loss which the insured shall incur for its own account arising out of insured transactions during the policy period. The amount of the deductible, if any, and the risk(s) to which it is applicable shall be set forth in the declarations.
- G. "default" means non-payment, in whole or in part, of:
- (1) for letter of credit terms, the amount due under the letter of credit for which documents required by the terms of the letter of credit have been presented to the issuing bank; or
 - (2) for all other terms, the amount of principal or interest, if any, due on a buyer obligation in accordance with its terms; or
 - (3) in the event an extension or rescheduling is granted in accordance with this policy, the amount of principal or interest, if any, due on a buyer obligation in accordance with the rescheduled or extended due dates;
- provided that default shall not include any non-payment resulting from any tax or other charge levied (by withholding or otherwise) on a buyer obligation or letter of credit, or on the holder thereof.
- H. "designated depository" means an agency of the central government of the buyer's country or a financial institution which in the sole opinion of Eximbank is, or was at the time of the due date, designated by law or regulation of the buyer's country for the acquisition and transfer of the approved currency.
- I. "due date" means any date or dates of payment specified in a buyer obligation or letter of credit or any drafts drawn thereunder.
- J. "insolvency" means that a competent court or other governmental authority or the buyer or issuing bank has taken any of the following actions:

- (1) the buyer or issuing bank is declared bankrupt or insolvent or the buyer or issuing bank has made an assignment, composition or other arrangement for the benefit of its creditors generally; or
 - (2) a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency or similar person has been appointed to manage the buyer's or issuing bank's affairs; or
 - (3) such conditions exist as are equivalent in effect to any of the foregoing actions.
- K. "insured" means the person or entity named in the declarations.
- L. "insured percentage" means the percentage of coverage for each risk specified in the declarations or in a special buyer credit limit or issuing bank credit limit.
- M. "insured transaction" means a shipment of products which shipment complies in every respect with the requirements specified in article 3.
- N. "issuing bank" has the same meaning provided under Uniform Customs and Practices for Documentary Credits, 1993 revision, ICC Publication No. 500, provided that the bank has been approved by Eximbank in an issuing bank credit limit or by the insured within the requirements of the discretionary credit limit for an issuing bank.
- O. "letter of credit" means an irrevocable and unconfirmed letter of credit in the amount of the contract price of the products payable in an approved currency in a payment country, which states that it is subject to the Uniform Customs and Practices for Documentary Credits, 1993 revision, ICC Publication No. 500 and requires presentation of an invoice and transport document.
- P. "loss" means:
- (1) with respect to risk 1:
 - (a) for letter of credit terms only, the amount for which the issuing bank has applied for exchange; or
 - (b) for all other terms, the amount determined in accordance with paragraph (2) below provided that said amount shall not exceed the approved currency equivalent of the currency of the buyer's country which has been deposited in accordance with all of the terms set forth in risk 1 (such equivalent to be calculated based on the rate of exchange applicable to the insured transaction existing on the due date or the date of deposit, whichever is later); or
 - (2) with respect to risks 2, 3 and 4, the amount of default on the buyer obligation or letter of credit or any draft drawn thereunder, including interest, if any, accrued and unpaid, and computed at the rate and in the manner specified in the interest coverage endorsement, less:
 - (a) discounts or other similar allowances; and
 - (b) any amount which, prior to the time of claim payment by Eximbank hereunder, the insured has received from realization of any security on the insured transaction; and
 - (c) any monies allocable to the insured transaction pursuant to the provisions of this policy; and
 - (d) any amount which the buyer or issuing bank would have been entitled to take into account by way of payment, set-off or counterclaim; and
 - (e) any expenses saved by the insured by its non-payment of any agents' commissions or its non-fulfillment of the contract of sale or purchase order; or

- (3) with respect to risk 5, the actual amount of transport or insurance charges, less any allowance, rebate or refund to which the insured is entitled by reason of the interruption or diversion of voyage.

Q. "monies" means:

- (1) any and all amounts (e.g., without limitation, interest, principal, fees or expenses) received by the insured or any of its agents from or on behalf of the buyer or issuing bank on insured transactions or uninsured debt; and
- (2) any and all amounts or credits which the insured is entitled to apply as or towards payment of insured transactions or uninsured debt, including, but not limited to, proceeds from the resale of any goods shipped to the buyer.

Monies does not include any proceeds from realization of any security specifically designated for an insured transaction or uninsured debt.

R. "payment country" means the country in which the buyer obligation or letter of credit is payable and which is the United States, Canada, Japan, Germany, Switzerland, France, the United Kingdom or a country approved by Eximbank in a credit limit or endorsement.

S. "products" means each of the items identified in the invoice which qualifies as either class I or class II product as specified in the declarations.

T. "recovery" means either recovery-collection type or recovery-security realization or intergovernmental type or both, as applicable:

- (1) "recovery-collection type" means, after payment of a claim and except as otherwise provided, any and all amounts (e.g., without limitation, interest, principal, fees or expenses) received by the insured or any of its agents or Eximbank from or on behalf of the buyer or issuing bank on an insured transaction or uninsured debt, regardless of any designation as to application of funds by the buyer, issuing bank or other person or entity from whom such payments are received and regardless of whether the claim payment was for principal or interest.

"recovery-collection type" includes proceeds from the realization of any security not specifically designated for an insured transaction or uninsured debt but does not include any proceeds from the realization of any security specifically designated for an insured transaction or uninsured debt or any amounts received as the result of an international or intergovernmental arrangement between the insured or Eximbank and the government of the buyer's or issuing bank's country providing for payment of such insured transaction or uninsured debt.

- (2) "recovery-security or intergovernmental type" means after payment by Eximbank of a claim on an insured transaction, regardless of whether the claim payment was for principal or interest, any and all amounts (e.g., without limitation, interest, principal, fees or expenses) received by the insured or any of its agents or Eximbank from or on behalf of the buyer or issuing bank on an insured transaction as a result of either realization of any security specifically designated for an insured transaction or an international or intergovernmental arrangement between the insured or Eximbank and the government of the buyer's or issuing bank's country providing for payment of the insured transaction.

U. "reimbursable recovery expense" means:

- (1) only extraordinary expenses incurred by the insured to prevent or minimize loss provided that Eximbank gives prior written approval to incur the expense; and
- (2) expense incurred by Eximbank to prevent or minimize loss or effect recoveries.

V. "reportable transaction" means any shipment of products which satisfies each of the requirements of sections A and B of article 3, unless the shipment is made on payment terms or for products

excluded from the policy or unless Eximbank has specifically refused all applicable credit limits including discretionary, special buyer or issuing bank credit limits, on the buyer or issuing bank.

- W. "retention" means an amount equal to the difference, if any, between the contract price of an insured transaction and the amount equal to the insured percentage of such contract price.
- X. "short term sale" means a sale of products to a buyer requiring payment in full of the contract price not later than, for class I products, 360 days, or for class II products, 180 days, from the date of arrival of the products at the port of importation or other terms specified in a special buyer credit limit or issuing bank credit limit.
- Y. "total principal liability" means the aggregate principal amount outstanding from a buyer or issuing bank to the insured on insured transactions and uninsured principal debt.
- Z. "uninsured debt" means the aggregate principal amount and interest thereon outstanding from a buyer or issuing bank to the insured on transactions which are not insured transactions.
- AA. "uninsured principal debt" means the aggregate principal amount outstanding from a buyer or issuing bank to the insured on transactions which are not insured transactions.

IN WITNESS WHEREOF, Export-Import Bank of the United States has caused this policy to be executed.

Export-Import Bank of the United States



John A. McAdams
Senior Vice President
Export Finance